

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 3175 – SB 3194

May 18, 2010

SUMMARY OF AMENDMENTS (014654, 016934): Amendment 014654 adds language to Section 1 of the original bill, stating the price under a cooperative purchasing agreement may be considered as an informal bid if general law, charter, or private act requires competitive bidding for a municipality. Amendment 016934 rewrites the original bill. Authorizes local governments to participate in cooperative purchasing agreements with other local governments. Exempts construction, engineering or architectural services, or construction materials from cooperative purchasing agreements. Authorizes local governments to purchase equipment under the same terms of a legal bid initiated by another local government so long as the individual unit price is less than \$10,000.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease Local Expenditures – Exceeds \$100,000/Permissive

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase Local Expenditures – Exceeds \$100,000*

Assumption applied to amendments:

- According to the Comptroller, local governments are currently authorized to participate in cooperative purchasing agreements for engineering or architectural services and construction materials. Exempting these services and materials is estimated to increase local expenditures in an amount exceeding \$100,000.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

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A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

/kmc